

Filing season quick guide—tax year 2015

GAINS RATES

- Long-term capital gain rates: Zero for gains that would otherwise be taxed at the 10% or 15% rates; 15% for gains that would be taxed at the 25%, 28%, 33%, or 35% rates; and 20% for gains that would be taxed at the 39.6% rate.

PERSONAL EXEMPTION

\$4,000

AGI phaseouts:

- Single: \$258,250 to \$380,750.
- Married filing jointly and surviving spouses: \$309,900 to \$432,400.
- Married filing separately: \$154,950 to \$216,200.
- Heads of household: \$284,050 to \$406,550.

STANDARD DEDUCTION

- Single: \$6,300.
- Married filing jointly and surviving spouses: \$12,600.
- Married filing separately: \$6,300 (\$0 if spouse itemizes deductions).
- Heads of household: \$9,250.

Additional standard deduction for 65+ and blind taxpayers:

- Single: \$1,550.
- Married filing jointly and surviving spouses: \$1,250.
- Heads of household: \$1,550.

Standard deduction for individuals who can be claimed as dependents cannot exceed the lesser of (1) \$6,300 or (2) the greater of \$1,050 or \$350 plus the individual's earned income.

ITEMIZED DEDUCTIONS

If taxpayer's adjusted gross income (AGI) exceeds the applicable amount for his or her filing status, certain otherwise allowable itemized deductions are reduced by the lesser of 3% of the excess of AGI over the applicable amount or 80% of itemized deductions otherwise allowable for the tax year.

Applicable amounts for reduction of otherwise allowable itemized deductions:

- Single: \$258,250.
- Married filing jointly and surviving spouses: \$309,900.
- Married filing separately: \$154,950.
- Heads of household: \$284,050.

STANDARD MILEAGE RATE

- Business: 57.5 cents per mile.
- Medical and moving: 23 cents per mile.
- Charitable services: 14 cents per mile.

For business autos for which the optional business standard mileage rate is used, the portion treated as depreciation is 24 cents per mile.

TAX CREDITS

- **Earned income:** Maximum credit per number of qualifying children: \$503 (none); \$3,359 (one); \$5,548 (two); \$6,242 (three or more), subject to phaseouts.
- **Child:** \$1,000 per qualifying child under age 17. Refundable to the extent of 15% of the taxpayer's earned income in excess of \$3,000 (but not refundable for taxpayers who exclude income under Sec. 911); qualifying child must be the taxpayer's dependent. Phases out with MAGI above \$75,000 (\$110,000 for married filing jointly, \$55,000 for married filing separately).
- **Adoption expense:** \$13,400 maximum. Phases out with MAGI between \$201,010 and \$241,010.
- **American opportunity:** \$2,500 per year maximum (100% of the first \$2,000 of qualifying expenses and 25% of the next \$2,000), with 40% of the credit refundable. Phases out for single taxpayers with MAGIs between \$80,000 and \$90,000 (\$160,000 and \$180,000 for married filing jointly).
- **Lifetime learning:** 20% of up to \$10,000 of qualified tuition and related expenses, up to \$2,000 maximum. Phases out between \$55,000 and \$65,000 MAGI for single filers and from \$110,000 to \$130,000 for married filing jointly.

- **Sec. 25C nonbusiness energy property:** Expired for 2015 (as of Nov. 30; check for end-of-year extension).
- **Sec. 25D residential energy-efficiency property:** 30% of amount paid for qualifying property (for qualified fuel cell property, maximum credit of \$500 for each 0.5 kilowatt of capacity).
- **Small business health insurance:** 50% of amount of nonelective contributions an eligible small business makes on behalf of its employees for premiums for health insurance (35% credit against payroll tax for tax-exempt entities). Phases out for employers with between 10 and 25 full-time-equivalent employees and average annual wages of between \$25,800 and \$51,600.

Saver's credit applicable percentages

AGI, married filing jointly	AGI, heads of household	AGI, all other filers	Applicable percentage
\$0 to \$36,500	\$0 to \$27,375	\$0 to \$18,250	50%
\$36,501 to \$39,500	\$27,376 to \$29,625	\$18,251 to \$19,750	20%
\$39,501 to \$61,000	\$29,626 to \$45,750	\$19,751 to \$30,500	10%

SEC. 179 AND BONUS DEPRECIATION

- Sec. 179 expense deduction: \$25,000 with \$200,000 threshold limit (as of Nov. 30; check for end-of-year changes).
- Sec. 168(k) bonus depreciation: Expired for 2015 (as of Nov. 30; check for end-of-year extension).

RETIREMENT PLAN LIMITS

- Maximum 401(k) plan elective deferral: \$18,000 (plus \$6,000 catch-up for age 50+).
- Defined benefit plan maximum benefit: \$210,000.
- Defined contribution plan contribution limit: \$53,000 or 100% of compensation, whichever is less.
- IRA contribution limit: \$5,500 (plus \$1,000 catch-up for age 50+).
- IRA deduction phaseout: MAGI from \$98,000 to \$118,000 (married filing jointly); \$61,000 to \$71,000 (single taxpayers and heads of household); \$0 to \$10,000 (married filing separately); \$183,000 to \$193,000 (nonactive participant whose spouse is an active plan participant).
- Roth IRA contribution limit: \$5,500 (plus \$1,000 catch-up for age 50+).
- Roth IRA contribution limit phaseout (MAGI): \$183,000 to \$193,000 (married filing jointly); \$116,000 to \$131,000 (single and heads of household); \$0 to \$10,000 (married filing separately).
- SEP minimum required compensation: \$600; discriminatory contribution test amount: \$265,000.

ESTATES AND GIFTS

- Per-donee annual gift tax exclusion: \$14,000.
- Exclusion for transfers to noncitizen spouse: \$147,000.
- Gift/estate tax exclusion: \$5,430,000; estate of first spouse to die may pass unused portion of exclusion to surviving spouse.

Alternative minimum tax

Filing status or entity	AMT exemption amount	AMTI phaseout of exemption*
Married filing jointly or surviving spouses	\$83,400	\$158,900 to \$492,500
Single or heads of household	\$53,600	\$119,200 to \$333,600
Married filing separately	\$41,700	\$79,450 to \$246,250
Estates and trusts	\$23,800	\$79,450 to \$174,650

* At 25% of AMTI above phaseout threshold.